

REPORT OF EX PARTE  
COMMUNICATION NOT FROM INTERESTED PARTY

[Form 22; 12-03]

ICC Docket Number, or Docket Number or Case Number from Other Jurisdiction  
(please be specific):  
03-0726

Subject of the Communication: Local number portability cost recovery under the  
Federal Communications Commission's Rules and Orders.

Name of Commission Officer or Employee Making Report : Eric M. Madiar

Job Title: Staff Counsel, Office of General Counsel

Date of Communication: February 20, 2003

Location of Parties to Communication: Chris Barnekov, Senior Economist, Pricing  
Policy Division of the FCC was located in his office in Washington D.C. I was in my  
office in Chicago, Illinois.

Mode of Communication (for example: in person, telephone, fax, email, mail):  
Telephone and email

Nature and Substance of All Oral Communications: Chris Barnekov of the FCC left me a voice mail responding to my inquiry of whether Egyptian Telephone Cooperative Association could recover certain costs related to local number portability implementation through an FCC-permitted monthly end user surcharge based on the information Egyptian supplied in its petition and testimony in Docket No. 03-0726. He informally opined that, based on the supplied information, Egyptian could only assess an end user monthly surcharge of \$.80, which is considerably lower than Egyptian's claim that it could assess a monthly surcharge of \$1.91. I called Chris back shortly after he left this voice mail and we discussed the content set forth above and the specific cost item of transport and transit costs. He stated that Egyptian would not be entitled to recover transport and transit costs through an end user monthly surcharge based on the FCC's Rules and Order. He further added that his division within the FCC had made a recommendation to the FCC in FCC Docket 01-92 on how these costs could be recovered, but in no way could these costs be recovered through an monthly end user surcharge. Finally, Chris indicated that he was sending me an email that further

OFFICIAL FILE

ILL. C.C. DOCKET NO. 04-0239  
Verizon Wireless Cross 3  
Witness \_\_\_\_\_  
Date 6-8-04 Reporter Qaf

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articulated his thoughts on Egyptian's cost recover claims. I thanked him for his assistance.

Responses Made to Written or Oral Communications: Attached is an e-mail Chris Barnekov sent to me on February 20, 2004, which details the content discussed above. I have also attached my email thanking Chris for his assistance.

Please check one:

☒ Attached are copies of all written items received.

☐ No written items were received

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Please check one:

☒ Attached are copies of written responses.

☐ No written responses were made.

Person Communicating to You:

Name of Person Communicating to You: Chris Barnekov

Job Title of Person Communicating to You: Senior Economist, Pricing Policy Division

Entity Represented by the Person: Federal Communications Commission

State What Action, If Any, the Person Requested or Recommended:

None. Chris merely provided information regarding what costs Egyptian might be able to recover for implementation of local number portability through a monthly end user surcharge pursuant to the FCC's Rules and Orders.

Include Any Other Information You Deem Pertinent:

FCC Rules and Orders exclusively govern what costs can and cannot be recovered through a monthly end user surcharge for a carrier's costs for implementing local number portability. To evaluate Egyptian's claim that implementation of local number portability within its service territory would cause a significant adverse economic impact on its end users under Section 251(f)(2)(A)(i) of the federal Telecommunications Act of 1996, 47 U.S.C. § 251(f)(2)(A)(i), I needed to contact the FCC to determine, at least on an informal basis, whether Egyptian's estimated monthly end user surcharge and cost inputs as set forth in its petition and testimony had merit.

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Under Section 5-50(c) of the State Officials and Employees Ethics Act, the information required by this form shall be reported immediately to the agency's ethics officer, who shall require that the ex parte communication be promptly made a part of the record, and who shall promptly file the ex parte communication with the Executive Ethics Commission.

**From:** Christopher Barnekov [Christopher.Barnekov@fcc.gov]  
**Sent:** Friday, February 20, 2004 1:39 PM  
**To:** emadiar@icc.state.il.us  
**Cc:** Judith Nitsche; Deena Shetler; Jay Atkinson  
**Subject:** Egyptian LNP cost claims

Eric,

I took a quick look at Egyptian's cost support and your staff comments.  
I need to get to other pressing assignments, but here is my quick take.

1) there is absolutely no way we would allow recovery of the transport and transit costs (\$127,239). This is not a cost "for the provision of LNP." [The FCC is currently considering how these transit costs should be assigned between rural LECs and interconnectors in Docket 01-92, but they would NOT be recovered in the LNP surcharge.]

2) I am quite suspicious about the claimed OSS costs. Many carriers attempted to recover for OSS that was not directly "for the provision of LNP," but rather for billing, maintenance or other issues that may be consequences of LNP, but not directly "for the provision of LNP."

3) Are they attempting to recover in their LNP surcharge the costs of their legal efforts to avoid implementing LNP? If so, we would disallow this. Again, this is not "for the provision of LNP."

4) The magnitude of their claims for "Employee Education" is quite impressive. We would take a VERY close look at those claims.

5) Likewise with respect to the astounding level of claims for "technical trouble."

6) They seem to plan to have extremely well-educated consumers. This appears considerably out of line with other carriers' experience. Do they plan to send tutors door-to-door?

Removing the Transport & Transit, and guessing at approximate disallowances in other categories, I'd guesstimate that we might allow recovery of something on the order of roughly 80 cents per month, subject to verifying the remaining cost claims. This is, of course, a quick guesstimate. Even this is quite high, and we would look very closely at their cost support. Other fairly small carriers seem able to implement LNP for much less money, and we would definitely want to understand why this company claims so much more.

I hope this is helpful.

Chris Barnekov  
Senior Economist  
Pricing Policy Division  
202-418-1525

\*\*\* Non-Public: For Internal Use Only \*\*\*

**From:** Madiar, Eric  
**Sent:** Friday, February 20, 2004 1:50 PM  
**To:** 'Christopher Barnekov'  
**Subject:** RE: Egyptian LNP cost claims  
Thank you for your thoughts.

-----Original Message-----

**From:** Christopher Barnekov [mailto:Christopher.Barnekov@fcc.gov]  
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